

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

December 2007

Summary

Revenue collections increased by 9.5 percent in December, and on a year-to-date basis, growth is up 6.3 percent, slightly ahead of the 5.1 percent annual forecast. The strong monthly growth was attributable to solid growth in retail sales tax collections and the increase in registration fees. Adjusting for the registration fee increase, monthly growth was 6.6 percent and annual growth is 2.9 percent.

Motor Fuels Tax (including PTF Fuels Tax Revenue)

Motor Fuels Tax collections increased by 1.9 percent in December. Annual collections through the first six months of fiscal year 2008 are up 2.6 percent.

Retail prices for petroleum products are expected to increase in 2008, pushed up by the higher average crude oil prices. Both motor gasoline and diesel prices are projected to average over \$3 per gallon in 2008 and 2009, with monthly average gasoline prices peaking near \$3.50 per gallon this spring.

Motor Vehicle Sales and Use Tax

Collections in this source declined by 3.7 percent in December and are down 3.8 percent for the year.

The automobile industry is under pressure from a number of channels. First, high energy prices are affecting sales of large SUVs and pickup trucks. Second, weakening housing construction activity is weighing on pickup truck sales. Third, weakening ability to extract home equity to pay for big ticket item due to house-price erosion is affecting consumer demand for vehicles. Fourth, weaker employment trends, especially for housing-related industries, are dampening demand for vehicles.

State Retail Sales Tax

The transportation portion of retail sales tax increased by 15.9 percent in December. Collections in this source are up 5.4 percent in fiscal year 2008.

Motor Vehicle Licenses

Motor vehicle registration fee collections increased by 44.5 percent in December. Collections of \$15.8 million include \$4.8 million attributable to the motor vehicle license fee increase. Adjusting for the registration fee increase, this month's collections were up 0.4 percent from last year.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2007 and 2008
(Dollars in Thousands)

Revenue	FY 2008 Estimate	As a % of Total Fund	December			Year-To-Date			% Annual Growth Required By Estimate
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change	
Motor Fuel Taxes	\$882,700	23.57	\$75,608	\$72,164	4.8	\$380,299	\$370,398	2.7	2.7
Priority Transportation Fund	20,000	0.53	0	2,000	(100.0)	8,000	8,000	0.0	0.0
Motor Vehicle Sales and Use Tax	615,400	16.43	40,243	41,773	(3.7)	297,457	309,147	(3.8)	(2.1)
State Sales and Use Tax	524,400	14.00	47,624	41,102	15.9	270,043	256,192	5.4	1.4
Motor Vehicle License Fees	268,900	7.18	15,792	10,925	44.5	118,745	82,507	43.9	58.7
International Registration Plan	61,500	1.64	6,016	1,395	331.3	34,634	20,848	66.1	13.9
Interest Earnings	43,500	1.16	69	170	(59.4)	15,883	12,423	27.9	(19.4)
Misc. Taxes, Fees, and Revenues	<u>15,800</u>	<u>0.42</u>	<u>1,367</u>	<u>1,042</u>	<u>31.2</u>	<u>7,750</u>	<u>5,903</u>	<u>31.3</u>	<u>28.1</u>
Total State Taxes and Fees	<u>\$2,432,200</u>	<u>64.93</u>	<u>\$186,719</u>	<u>\$170,571</u>	<u>9.5</u>	<u>\$1,132,811</u>	<u>\$1,065,418</u>	<u>6.3</u>	<u>5.1</u>

Percentage is greater than or equal to 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2007 and 2008
(Dollars in Thousands)

Revenue	FY 2008 Estimate	As a % of Total Fund	December			Year-To-Date			% Annual Growth Required By Est
			FY 2008	FY 2007	% Change	FY 2008	FY 2007	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$763,200	20.38	\$65,640	\$62,724	4.6	\$324,514	\$322,058	0.8	2.9
Motor Vehicle Sales and Use Tax	379,500	10.13	24,606	25,521	(3.6)	184,376	191,131	(3.5)	(2.7)
Motor Vehicle License Fees	247,200	6.60	14,375	9,511	51.1	108,524	71,964	50.8	66.8
International Registration Plan	61,500	1.64	6,016	1,395	331.3	34,634	20,848	66.1	13.9
Misc. Taxes, Fees, and Revenues	15,800	0.42	1,367	1,042	31.2	7,750	5,903	31.3	28.1
Total State Taxes and Fees	\$1,467,200	39.17	\$112,004	\$100,193	11.8	\$659,798	\$611,904	7.8	9.0
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,638	\$2,409	9.5	\$19,162	\$13,004	47.4	(100.0)
Miscellaneous Revenues	16,937	0.45	970	556	74.5	7,932	8,949	(11.4)	0.1
Transfer (to) / from Transportation Trust Fund	260,570	6.96	63,143	0	-	263,143	239,144	10.0	12.7
Total Highway Maintenance and Operating Fund	\$1,744,707	46.58	\$178,755	\$103,158	73.3	\$950,035	\$873,001	8.8	7.4
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$119,500	3.19	\$9,968	\$9,440	5.6	\$55,785	\$48,340	15.4	1.3
Priority Transportation Fund	20,000	0.53	0	2,000	(100.0)	8,000	8,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	235,900	6.30	15,637	16,252	(3.8)	113,081	118,016	(4.2)	(1.1)
State Sales and Use Tax	524,400	14.00	47,624	41,102	15.9	270,043	256,192	5.4	1.4
Motor Vehicle License Fees	21,700	0.58	1,417	1,414	0.2	10,221	10,543	(3.1)	2.2
Interest Earnings	43,500	1.16	69	170	(59.4)	15,883	12,423	27.9	(19.4)
Total State Taxes and Fees	\$965,000	25.76	\$74,715	\$70,378	6.2	\$473,013	\$453,514	4.3	(0.4)
Other Revenues:									
Federal Grants and Contracts	\$1,101,708	29.42	\$58,977	\$63,322	(6.9)	\$441,839	\$341,378	29.4	78.1
Receipts from Cities/Counties	78,428	2.09	(1,043)	5,407	(119.3)	27,769	28,948	(4.1)	86.4
Toll Revenues (Includes Route 28)	100,598	2.69	12,675	8,171	55.1	59,375	48,945	21.3	(3.0)
Miscellaneous Revenues	15,758	0.42	657	6,585	(90.0)	7,259	10,377	(30.0)	(26.9)
Total Other Revenues	\$1,296,492	34.62	\$71,266	\$83,485	(14.6)	\$536,242	\$429,648	24.8	65.0
Transfer (to) / from Highway Maintenance and Operating Fund	(\$260,570)	(6.96)	(\$63,143)	\$0	-	(\$263,143)	(\$239,144)	(10.0)	(12.7)
Total Transportation Trust Fund	\$2,000,922	53.42	\$82,838	\$153,863	(46.2)	\$746,112	\$644,018	15.9	31.3
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,745,629	100.00	\$261,593	\$257,021	1.8	\$1,696,147	\$1,517,019	11.8	19.0

Percentage is greater than or equal to 1,000%.